[FY2013 Q1 Financial Results]

Q: What caused the operating margin for the T&M segment to decline to approximately 15%?

A: Overall, the results were within our expectations. We have increased our R&D expenses and selling, general and administrative expenses since FY2012 H2 in order to enhance our overseas support system. As a result, the increase in expenses outpaced our growth in revenue for Q1.

Q: Why did selling, general and administrative expenses increase?

A: It was mainly due to the increase in personnel for the enhancement of the overseas support system, in addition to the impact of the currency exchange rate.

Q: What is the impact of the exchange rate?

A: The prevailing market rate was $1USD=99JPY.
Although the yen was weaker than our assumed rate of $1USD=90JPY, the positive benefit this had on our profits was offset by the slowdown of business in Japan. Additionally, the weaker yen led to a cost increase due to the increasing costs in foreign denominations, such as from procurement and development in overseas.

Q: What are the trends of the products for development and manufacturing in the mobile field?

A: The proportion for development has been increasing; currently, development accounts for about 60% of the field, and manufacturing for 40%.

[Outlook for FY2013]

Q: What is the outlook for business in Japan?

A: Although we cannot be optimistic about the market condition in the mobile field, we will strengthen our initiatives in the electronics field, such as of measuring instruments for communications devices. At this point, we have not changed our numerical targets for Japan.

Q: When will we see the effects of the investment in overseas personnel?

A: We have been strengthening our overseas customer support system since FY2012 H2 and have started to see positive results from this investment, especially in North America and Asia. There are still many development themes left, such as that of LTE-Advanced, and we expect to see major results starting from FY2013 H2.